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**TWO OWNERS OF SACRAMENTO STEEL COMPANY PLEAD GUILTY**  
**IN TAX EVASION INVESTIGATION**

SACRAMENTO—United States Attorney McGregor W. Scott announced today that WILLIAM “BILL” CAMBLIN, 52, of Placer County, California, pleaded guilty to structuring financial transactions to evade currency transaction reporting requirements. The United States Attorney also announced today that his office has filed a plea agreement relating to WILLIAM CAMBLIN's brother, NICHOLAS L. CAMBLIN, JR., 53, of Sacramento, under which he has agreed to plead guilty to filing a false tax return. The pleas arise from an investigation into the skimming of income from the brothers' business, Camblin Steel Service Inc., a steel fabrication business located in Sacramento, California.

The case was investigated by the Internal Revenue Service - Criminal Investigation.

According to Assistant United States Attorney Matthew D. Segal, who is prosecuting the case, between January 8, 1998 and April 10, 2003, NICHOLAS CAMBLIN, Jr. and WILLIAM CAMBLIN, the owners of Camblin Steel Service Inc., skimmed income from the company and concealed the income from the IRS. During this period, NICHOLAS CAMBLIN, Jr. deposited checks payable to the company into a hidden bank account maintained at Wells Fargo Bank. From that account, NICHOLAS CAMBLIN, Jr. then wrote checks to himself and to his brother WILLIAM CAMBLIN for amounts that were less than \$10,000. The brothers then negotiated the checks for

cash. WILLIAM CAMBLIN's purpose in keeping deposit amounts below \$10,000 was to prevent the bank from filing a Currency Transaction Report (CTR) on the cashed checks, which would have alerted the government to the transactions. The brothers kept the funds they received secret from the company's employees and the IRS, since they knew that these funds were not reported on their personal income tax returns.

WILLIAM CAMBLIN admitted that from 1998 through 2002, he received a total of \$1,152,920 from the Wells Fargo Bank account, none of which was reported to the IRS. During that same period, NICHOLAS CAMBLIN, Jr. received a total of \$1,297,025 from the Wells Fargo Bank account which was also not reported to the IRS.

The plea agreement for NICHOLAS CAMBLIN, Jr., which was filed today, calls for him to plead guilty to one count of filing a false tax return. The United States and NICHOLAS CAMBLIN, Jr. have agreed to recommend that the Court sentence him to one year in prison, restitution of \$363,167 in unpaid federal taxes, and a fine of \$40,000. The maximum sentence for filing a false tax return is three years in prison and a fine of \$100,000.

WILLIAM CAMBLIN is scheduled to be sentenced on June 15, 2007, before the U.S. District Court Judge Garland E. Burrell. The United States Attorney's Office and WILLIAM CAMBLIN have agreed to recommend that the Court sentence him to one year in home detention. They also agreed that the proper restitution amount was \$322,817.60 in unpaid taxes and the proper criminal fine was \$40,000. Judge Burrell could sentence WILLIAM CAMBLIN to up to five years imprisonment, a fine of \$250,000, plus restitution.

The plea agreements do not resolve any civil or administrative penalties the CAMBLINS may face from the IRS.

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